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Germany was the first country to introduce the principle of compulsory accident insurance in 1884. Employers are then organized into associations and sections and are compelled to bear the expense of granting compensation to injured workmen, which compensation amounts to about two-thirds of their average wages. In 1897 England, by the passage of the workmen's compensation act, adopted the principle "that a workman is entitled for all accidents of occupation to a moderate and reasonable compensation."

Nothing that precedes or follows this quoted passage gives a clear idea of what a system of compensation or social insurance really is. The same criticism applies to other topics.

The book contains some excellent chapters and is on the whole well written. It is unfortunate that the author did not confine himself to a narrower range of topics or was not allowed more ample space.

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Scientific Management. A History and Criticism. By HORACE BOOKWALTER DRURY. Columbia University Studies in History, Economics, and Public Law, Vol. LXV, No. 2. (New York: Longmans, Green and Company. 1915. Pp. 222. \$1.75.)

Industrial Organization and Management. By HUGO DIEMER. (Chicago: LaSalle Extension University. 1915. Pp. 284.)

Written from the economist's point of view, Mr. Drury's book is an objective analysis of scientific management in the endeavor to trace its inception and growth and to discover its place in the general economic progress of society. The genesis of scientific management is found in systems of wage payment—Mr. F. W. Taylor himself once referred to his system as a piece-rate system; and it is inferred that scientific management is an outcrop from economic conditions arising out of the Industrial Revolution. The author discusses different wage systems and profit-sharing plans, and shows why scientific management had to grow from a payment system into a science which includes other phases than wage payment. There are also included biographical sketches of the leaders in the movement, giving their contributions to its development.

While the criticism indicates that the author has had no extensive first-hand experience in management, it is objective, impartial, and interesting. It analyzes scientific management and studies the

effect of each of its different phases on manufacturing as if it were an assemblage of efficiency devices. This method of treatment, however, is dangerous unless the reader keeps clearly in mind that scientific management—as Mr. H. L. Gantt puts it—is not a bag of tricks, from which a trick is to be taken whenever a need for improvement is discerned.

The author believes that the greatest gain from scientific management is in minimizing friction and waste; that the set task and incentive bring about an increase in individual productivity of perhaps 100 per cent; and that there is an increase of from 30 to 40 per cent by proper planning of work. The discussion of the effect on the worker's mind of providing him with detailed instructions is interesting and valuable. The hackneyed objection to intensive individual coaching is disposed of by saying—quite correctly—that there is in reality little of it. The author concludes that the productivity of the general reorganization brought about by scientific management equals the sum of the productivities of all the other phases because it is an integration of them. He tries to evaluate this productivity but finds it impracticable to do so.

It is held that scientific management will be a strong influence toward concentration and large-scale production, but that its growth does not represent another industrial revolution, as has been claimed; that it promotes the division of labor, but is not the cause thereof. Scientific management is regarded as a part of the general progress of industrialism, which will merge with other systems and lose its identity. If the author refers to any particular *system* of scientific management, his statement may go unchallenged, but as scientific management differs from other management in that it is based on the knowledge of facts instead of opinion it is difficult to see how it can lose its identity.

In considering the labor problem, Mr. Drury points out that the gulf between organized labor and scientific management is caused principally by the labor union policy of restriction of output. He admits that harmony appears in plants where scientific management has been introduced, but, granting harmony and co-operation in production, on the whole he can not say that scientific management makes it possible to get away from the application of the theory of wages and collective bargaining. He believes that the division of the surplus, as contemplated under scientific management, is not in itself scientific, but is in the last analysis based on

collective bargaining; and shows that those who are working under scientific management are in favor of it—that agitation against it is due to the leaders of organized labor. Mr. Drury thinks coöperation between scientific management and organized labor possible through collective bargaining. The reviewer knows that it was suggested to Mr. Taylor that coöperation be established, on the basis of the preferential shop; but that Mr. Taylor's viewpoint was that there could be no coöperation until the leaders of organized labor should see the economic error of the policy of restricting output.

The author concludes that it is not safe to abide in the hope of altruism on the part of factory managers; that finally there must be recourse to collective bargaining, and a recognition of the different relations of the employer and the worker to the profits of business.

Mr. Diemer's *Industrial Organization and Management* is a textbook, evidently prepared for the college student, as it covers a broad field, including organization, plant, purchasing, storekeeping, operating, cost-keeping, accounting, etc. The treatment given each phase is necessarily brief. The book is well illustrated with photographs, typical forms, etc., and each chapter is followed by test questions for use in discovering the student's grasp of the material presented in that chapter.

Lack of space prevents an exhaustive exposition of principles and reasons for all the statements made, but still the book is not dogmatic; the author rather assumes general agreement with his conclusions, presenting them for absorption by the student. The result should be the development in the student of an admirable viewpoint.

It is apparent that the author favors scientific management and the Taylor system in particular. He deals sharply with critics of scientific management, particularly with those whose criticisms are superficial and not based on careful thought. There is a clear presentation of the elemental principles of scientific management and a description of the operation of the Taylor system.

There is a very interesting presentation of the fact that science has no motives, which leaves it to be inferred that scientific management is not, in itself, a panacea for the ills of industrialism, but in the hands of the honest, "square" employer is a most valuable tool for the work of increasing productivity and efficiency. The chapter on time study is an excellent introduction to the

subject, bringing out clearly the relation of time study to scientific management as a whole.

To the author's discussion of the use of the suggestion box, the reviewer would add that on the whole it is not particularly productive of improvements. But very few workmen, comparatively speaking, make or can make good suggestions without a bit of prodding and help from the management, and even when these incentives are provided, experience indicates but small result, unless suggestions are well paid for. There is considerable difficulty in arriving at the proper payment for suggestions, because it is not infrequently difficult to determine how much of the value of the suggestion is really ascribable to the workman's own ideas and thought, and how much is due to the work done on it by the management.

To the discussion of reports for executives, the reviewer would add that in at least one factory it has been found by careful trial that a report which is not of direct interest to at least three members of the organization is superfluous and unnecessary. This rule is, of course, to a certain extent, empirical, but is based on experience, and has been found valuable where applied.

The author presents a discussion of the qualifications of men, based on a thorough study made by himself, which all executives might read with profit to themselves, particularly if read in connection with Mr. Frederick Winslow Taylor's writings on the subject.

FREDERIC G. COBURN.

NEW BOOKS

ARNOLD, H. L. and FAUROTE, F. L. *Ford methods and the Ford shops.* (New York: Engg. Mag. Co. 1915. Pp. x, 440. \$5.)

A technical account of mechanical processes descriptive of methods of technical and factory organization. Chapters deal with Mr. Ford's personality, factory methods of employment, the relation of Mr. Ford to labor, and practices in safeguarding workmen. The book is lavishly illustrated.

BANKS, E. *Correct business and legal forms. A reference manual for stenographers, secretaries, and reporters.* (Washington: John Byrne & Co. 1915. Pp. 270. \$1.25.)

BAUGH, F. H. *Principles and practice of cost accounting.* (Baltimore: F. H. Baugh. 1915. Pp. xi, 194. \$3.)

BELDING, A. G. *Key to accounts and accounting practice.* (New York: Am. Bk. Co. 1915. Pp. 123. 50c.)

BLANTON, B. H. *Credit. Its principles and practice.* (New York: Ronald Press. 1915. Pp. xi, 319.)